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THE NIELSEN REPORT

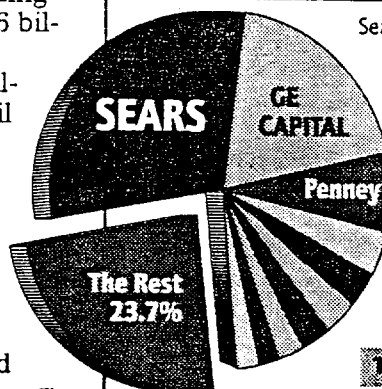
ISSUE
607

FOR 26 YEARS, THE LEADING PUBLICATION COVERING CONSUMER PAYMENT SYSTEMS WORLDWIDE

RETAIL CARDS At year-end 1994, cards issued exclusively for proprietary use at retail stores in the U.S. reached 581 million. Spending during the year reached a new high of \$104.46 billion averaging \$619 per active account. Outstandings reached a new high of \$70.90 billion averaging \$420 per active account. Retail accounts are generally ... (turn to page 5)

LARGEST CARD ISSUERS The fifteen largest credit card issuers in the United States, listed in a chart on page five, issued 617 million cards at the end of 1994 and accounted for 49.8% of the country's 1.26 billion in circulation. These private-label card companies, retailers, and financial ... (turn to page 5)

TOP TEN U.S. RETAIL CARD ISSUERS Ranked by Outstandings — Year-End 1994



Sears, Roebuck	30.1%
GE Capital	19.2%
JCPenney	7.3%
Household	3.8%
May	3.4%
Beneficial	3.2%
Federated	2.9%
Dayton Hudson	2.5%
Spiegel	2.1%
Bank One	1.8%

TOTAL 76.3%

THE LIMITED/WELSH, CARSON A joint venture company formed by The Limited, a retail apparel store chain, and Welsh, Carson, Anderson, and Stowe, a partnership specializing in buyouts and private equity investments, will acquire ownership of The Limited's World Financial National Bank cardholder processing subsidiary and \$1.10 billion in proprietary credit card receivables. WCAS will pay \$165 million for 60% ownership of the ... (turn to page 8)

CITGO/ASSOCIATES CO-BRAND The new "Companion Visa" card issued for Citgo by Associates National Bank of Delaware will award Citgo customers rebates of up to \$200 a year redeemable for cash or purchases. Rebates are earned by spending on the Visa card but can be collected only by continuing to spend on a proprietary Citgo card at Citgo stations. Citgo is the first petroleum marketer to design a ... (turn to page 4)

VISA IN BRAZIL In January, Visa International will become an equity partner in a newly formed company that will acquire all Visa transactions in Brazil. Other equity partners in Companhia Brasileira de Meios de Pagamento S.A. will be current Visa ... (turn to page 9)

FUJITSU ATMs Shipments of the new Advanced Platform line of Fujitsu's 7000 Series automated teller machines and cash dispensers began this month. Terminals have several software-driven features not available from any other manufacturer ... (turn to page 4)

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CASH STATION, a regional EFT system, has partnered with Ameritech, a regional phone company, to distribute prepaid calling cards from automated teller machines. Dialing instructions and initial calling value will appear on an ATM receipt. Steve Cole is CEO at Cash Station, (312) 977-1150, fax (312) 977-1945. Joe Miller is Dir. Prepaid Cards at Ameritech, (312) 727-4385, fax (312) 727-4894.

NATIONAL CITY PROCESSING, a subsidiary of the Cleveland-based bank, is suing the state of Ohio over its award to Citicorp of a management contract for an electronic benefits transfer program involving food stamps and 500,000 microchip cards. Del Hayunga is CEO, Stored Value Systems at NPC, (502) 423-3804, fax (502) 423-3808.

CITIBANK will use Deluxe Data, First Union Bank, and the IMS subsidiary of Lockheed Martin as subcontractors on a 7-year contract to supply mag-stripe card-activated electronic benefits transfer programs in Ala., Ark., Fla., Ga., Ky., Mo., N.C., and Tenn. Brian Claire is Sr. Dir. at Citibank, (312) 380-5358, fax (312) 380-5888.

FIRST TENNESSEE has signed a four-year agreement to use National Data Corp. as a third-party processor for voice and electronic card authorization services. Steve Demaree is SVP at FT, (901) 523-5171, fax (901) 523-5889. Dave Lyons is EVP at NDC, (404) 728-2086, fax (404) 728-3985.

DIVERSIFIED ACQUIRING SOLUTIONS consultancy specializes in the acquiring side of the card industry including back-office processing and operations and portfolio-pricing reviews. John Black is Pres., (516) 544-4529, fax (516) 544-4538.

PEOPLE'S BANK no-annual-fee bank card solicitations offer an introductory finance charge of 7.9% until April 1996, followed by a 11.9% fixed rate. John Curry is VP, (203) 338-3072, fax (203) 338-4843.

DE LA RUE FORTRONIC, a U.K.-based POS terminal manufacturer, has opened an office in Hartland, Wisconsin. Fortronic terminals are being used by Wells Fargo in its test of the Mondex "electronic purse" program. Michael Malahy is VP at DLR, (414) 369-4500, fax (414) 369-4519.

BANK OF NEW YORK customers are being offered "HalfPrice HotelCard" for 3 months for a \$1 fee as a promotion for Travelers Advantage, a CUC Int'l product. Customers receive two American Airlines savings certificates valued at \$200 when they sign up. Mika Marcin is VP at BofNY, (302) 451-2566, fax (302) 451-2537. Tom McLemore is Dir. Mktg. CUC, (203) 338-9451, fax (203) 965-5481.

NOVA INFORMATION SYSTEMS has completed acquisition of the merchant portfolios of First Union and First Fidelity. The deal expands the processor's business to more than 90,000 merchant contracts generating about \$12 billion in bank card sales annually. First Union sold its portfolio in exchange for an equity position in Nova. Edward Grzedzinski is CEO at Nova, (770) 396-1456, fax (770) 396-2117.

BUYPASS CORP., a subsidiary of Electronic Payment Services, has been processing over one million card transactions a month since August from recipients of federal and state government benefit in N.J., Md., Utah, Minn., N.C., and Tex. Ruth Ann Marshall is Pres., (770) 916-3275, fax (770) 916-3331.

AMERICAN HERITAGE BANKCARD, an independent sales organization, will offer its more than 20,000 U.S. merchants CyberCash Inc. to secure payments over the Internet. Bill Melton is CEO at CyberCash, (703) 620-4200, fax (703) 620-4215. Nick Ferrante is Pres. at AHB, (818) 734-2902, fax (818) 727-1070.

DATA CARD's 290E hand-held PIN-pad, compatible with most electronic cash registers, POS terminals, and PC-based point-of-sale systems, costs from \$220 to \$265 depending on quantity. John Miller is VP, (612) 988-2603, fax (612) 930-0023.

JOB MART

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ELECTRONIC CARD SYSTEMS seeks a **Second-in-Command**. Electronic Card Systems is a progressive third-party processor that is growing at a rate of over 200% per year. We specialize in providing value-added services to financial institutions and merchants in the burgeoning non-face-to-face world. We are currently seeking an individual to assist in the management of our company. The person selected must possess a minimum of 15 years of hands-on credit card acquiring experience including risk management, underwriting and operations experience. Familiarity with the FDR system is preferred but not essential. We offer a competitive salary, benefit package including 401(k) and the opportunity to acquire equity. For confidential consideration, please forward your resume with a detailed salary history to R.J. Gordon, Chairman, Electronic Card Systems, Inc. by fax at (310) 724-8700.

R.K. HAMMER seeks team of **Retired Bankcard Managers**. Consultancy R.K. Hammer and Associates is looking to supplement its staff with a network of part-time independent contractors with prior industry experience in third party processing, credit, collections, customer services, marketing, finance, operations, and portfolio transactions. Send recommendations and referrals by phone, fax, or mail to: 489 S. Knollwood Drive, Newbury Park, California 91320, (805) 498-8548, fax (805) 498-0828.

UNITED CREDITORS ALLIANCE seeks **National Marketing Executive**. United Creditors is a subsidiary of Deluxe Corporation, a Fortune 500 company. Ideal candidate must be experienced at executive level selling, highly motivated and a team player. Requirements include an excellent background and proven track record in collection sales with established client relationships and contracts. We provide competitive salary and excellent benefits. For confidential consideration please send resume and salary history to: Teri Strahine, Vice President, Marketing and Sales, United Creditors Alliance, P.O. Box 3714, Columbus, Ohio 43222.

"EXCLUSIVELY YOURS," a prepaid MasterCard product from Boatmen's Bank and Maritz Inc., has added Hewlett-Packard to 75 companies using the card as an incentive for employees, customers, and distributors. David Carrithers is VP at Maritz, (314) 827-2375, fax (314) 827-4728. Mark Jackson is VP at BB, (314) 466-6418, fax (314) 466-7770.

DELUXE DATA's "Connex Select Merchant" software lets acquirers review a merchant's transaction volume then adjust prices, provide better fraud control through a real-time relational database, and conduct merchant screening. Brad Potter is Product Mgr., (414) 963-5196, fax (414) 963-5099.

MBNA AMERICA's National Football League no-annual-fee Visa affinity card offers a finance charge of 7.9% for six months — prime plus 9.9% after that. Cards display the logo of the cardholder's favorite team. Howard Wallace is EVP at MBNA, (302) 457-2080, fax (302) 457-1538.

CONCORD EFS, largest processor of Visa transactions at supermarkets, will distribute Checkmate Electronics check reader products. Concord markets credit, debit, check, and ATM transaction processing and operates a check verification business. Edward Labry is Pres. at Concord, (901) 371-8011, fax (901) 371-8121. John Neubert is SVP at Checkmate, (770) 594-6000, fax (770) 594-6020.

AT&T UNIVERSAL preapproved Gold MasterCard citations promise no annual fee forever, a fixed finance charge of 7.9% until Jan. 1997, with the rate based on 30-day commercial paper plus 10.1% after that. Michael Shreve is SVP, (904) 954-7117, fax (904) 954-8177.

CORPORATE PLATINUM CARD is being marketed by American Express to select small business customers for an annual fee of \$300. Steven Alesio is EVP, (212) 640-4623, fax (212) 619-8498.

STAR SYSTEM regional EFT network added one million cardholders in the third quarter. In October, the switch handled 10 million "Explore" brand POS transactions. Ron Congemi is CEO, (619) 234-4774, fax (619) 234-3208.

TERACO, a card manufacturer, and VarTec Telecom, a long-distance carrier, have formed an alliance to provide prepaid phone cards for use in advertising and promotional marketing. Ronald Schwisow is Pres. at Teraco, (915) 694-7736, fax (915) 689-0129. Dave Wheeler is VP at VarTec, (214) 230-7360, fax (214) 230-7296.

DEAN WITTER, DISCOVER & CO. third quarter results show outstandings (general purpose and private label) of \$28.2 billion, up 24% versus a year earlier.

NIB (National Information Bureau), provider of common communication links to all credit bureaus and other fraud databases for on-line verification of application information, has opened a subsidiary in Canada to automate the credit approval process. Gary Beck is Mng. Dir., (905) 824-9877, fax (905) 819-1079.

INTERNATIONAL TRANSACTION SYSTEMS repairs, sells, and purchases refurbished POS terminals and printers. Charles Ahern is Pres. in Toronto, (905) 677-2088, fax (905) 677-0169.

CCN GROUP will process private-label cards for Parfumerie Douglas, a top German retail group. Jayne Barber is Mng. Dir. at CCN Int'l, 44 (1159) 344-801, fax 44 (1159) 344-907. Dieter Vennwald heads the card program at Parfumerie Douglas, 49 (2331) 690-0, fax 49 (2331) 690-692.

HFC BANK's Visa/MasterCard figures shown in issue #606 should have been stated as \$1.20 billion in volume and 514,000 cards, making the U.K. GM card issuer the 122nd largest issuer in the world. John Bushby is Dir. Bus. Relations, 44 (121) 214-5630, fax 44 (121) 214-5552.

UNITED BANK SERVICES and Banca Serfin, Mexico's third largest bank, have formed a joint venture to offer fee-based enhancement products to the bank's 1.5 million customers. Warren Kruger is EVP at UBS, (405) 364-4711, fax (405) 329-4719. Jorge Lozano is Mktg. Dir. at Banca Serfin, 52 (5) 550-3928, fax 52 (5) 616-0857.

SHANGHAI COMMERCIAL, Pan Asia, and Grand Commercial will issue 500,000 Interlink cards in Taiwan. Kevin Hung is Mgr. at Shanghai Commercial, 886 (2) 563-4778, fax 886 (2) 563-4779. Eli Lu is Mgr. at Pan Asia, 886 (2) 322-5259, fax 886 (2) 356-0655. Adria Chang is Div. Chief at Grand Commercial, 886 (2) 723-3610, fax 886 (2) 722-6152.

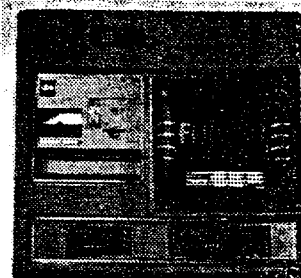
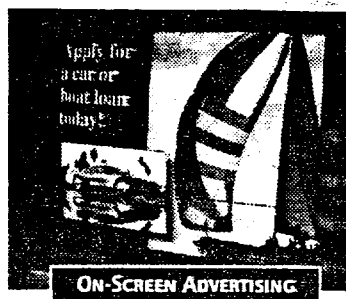
MANAGEMENT CHANGES

Richard Dahl, President at Bank of Hawaii, (808) 537-8337, fax (808) 521-7602, and **Leslie Biller**, Executive Vice President at Norwest Bank, (612) 667-5793, fax (612) 667-4982, have been appointed to the U.S. Board of Directors at Visa. **Janet Hartung**, formerly SVP at MasterCard, has been appointed Senior Vice President Electronic Payments Division at Wells Fargo, (415) 396-0531, fax (415) 399-9548. **David Lughino**, formerly at Diners Club, has been appointed Executive Vice President Marketing at SafeCard Services, (904) 218-3238, fax (904) 218-1673. **Larry Spooner** has been appointed President at Primary Payment Systems Inc., (602) 864-7719, fax (602) 995-7074. **James Incontro** has been appointed Vice President of Sales PlasticCard Custom Services Division at First Data, (402) 222-1939, fax (402) 222-3670. **Steven Collins** has been appointed Vice President Sales Electronic Payments Group at First Data, (402) 222-7731, fax (402) 222-4787. **Erl Kastrick** has been appointed Vice President Product Support Cardholder Services Division at First Data, (402) 222-7952, fax (402) 222-5210. **Gary Sherne** has been appointed Vice President of Marketing at TBW Financial Systems, (510) 645-3705, fax (510) 645-3069. **John Mawataki** has been named Vice President Sales at DataCard, (510) 609-0404, fax (510) 609-9090.

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Fujitsu (from page 1) ... such as the ability to let network operators write custom applications for individual ATMs without interfering with the operation of their host computer. Software also triggers a dual-roll printer to produce coupons, transit passes, and other customized media in addition to standard preprinted receipts. Starting next year, digitized video images of customers will be linked to transaction data, replacing the need for a VCR and videotapes now used for security. The AP series also performs DES encryption right at the keyboard instead of from the processor board and can be customized with facia inserts that convert deposit slots into dispensers for tickets or phone cards. Other capabilities include: read/write on all three tracks of a magnetic stripe, check imaging, check deposit with cash back, check cashing to the penny, bill payments, and smart card reader. AP upgrades are available for machines in the 7000 series installed since 1990.



MODEL 7010AP

Worldwide, Fujitsu Ltd. employs 164,000 and is the second largest manufacturer of computers in the world. Fujitsu ATMs have been marketed internationally since the 1970s and have been sold in the U.S. since 1982. Shipments worldwide last year totalled 9,759, up 9% over the prior year. The first unit was installed in Japan in 1971 ... more than 80,000 units are currently installed worldwide. In North America, Fujitsu-ICL Systems, a joint venture of Fujitsu and British computer manufacturer ICL PLC, employs 1,500 and markets ATMs, airline ticket printers, and hand-held computer systems. David Baker is Director of Financial Systems Marketing in La Jolla, California, (619) 457-9900, fax (619) 457-9982. In Japan, Hiroshi Otsubo is International Manager, Branch and Store Systems Business Group in Kawasaki City, 81 (44) 754-8589, fax 81 (44) 754-8540. Prior issues: 590, 574, 573, 571, 490 □

CITGO/ASSOCIATES Co-BRAND



PRICING — No annual fee, finance charge of 6.9% for six months and prime plus 10.9% after that.
REBATES of 5% are earned on all new card purchases if the cardholder is currently in the revolving cycle. Balance transfers of \$1,000 or more earn four \$5 coupons. Rebates can not exceed \$200 a year and must be redeemed within 90 days after they become available.

Citgo/Associates (from page 1) ... co-branded bank card program that doesn't undermine its own proprietary card. Associates will issue Companion Visa to as many of Citgo's 4.4 million consumer accounts that meet credit requirements.

Rebates of 5% on all purchases (including those at Citgo stations) will be delivered in the form of coupons worth \$5 in cash (or purchases at a Citgo station) dispensed by the company's POS system. They will be calculated by First Data Corp. (Associates' cardholder processor) and forwarded 21 times a month to JCPenney (Citgo's point-of-sale network provider). Next year customers will be able to earn additional rebates by transferring balances to their Companion Visa that were generated by major auto repairs on their proprietary Citgo card.

Citgo, the nation's 10th largest issuer of oil company credit cards, is the only one to show substantial growth last year and has continued that growth this year. It is a wholly owned subsidiary of the national oil company of Venezuela.

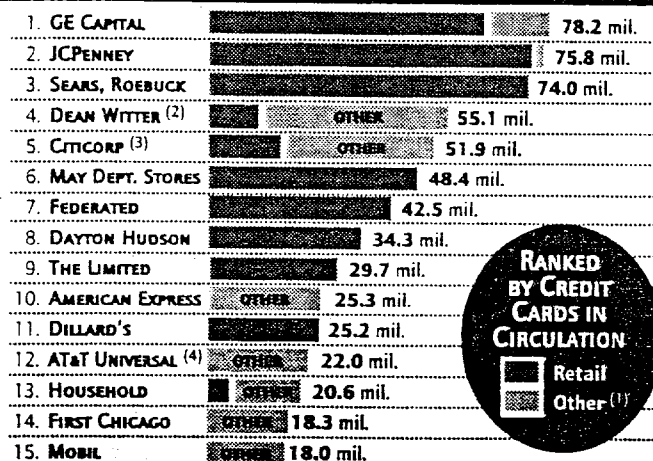
— Petroleos de Venezuela. Bill McCollough is General Manager Credit Card Operations at Citgo Petroleum Corp. in Tulsa, Oklahoma, (918) 495-4200, fax (918) 495-4593. Prior issues: 605, 554

ASSOCIATES NATIONAL BANK, the credit-card-only bank affiliate of Associates Corp. of North America and a unit of Ford Motor Financial Services, owns the nation's 19th largest portfolio of bank card outstandings — \$4.02 billion at the end of the third quarter. It has been issuing a no-fee bank card to Citgo customers since 1987 and also issues co-branded Visa cards for Unocal and Amoco and affinity cards for Diamond Shamrock. Pat McCann is Senior VP at Associates Credit Card Services in Irving, Texas, (214) 281-8104, fax (214) 281-3157. Prior issues: 606, 605, 602, 601, 598, 597, 596, 592, 588, 587, 583, 575, 571, 557, 524 □

Largest Issuers (from page 1) ... institutions are not only the largest issuers in the U.S. but also in the world. When their non-U.S. cards are included, they accounted for over 13% of the 4.87 billion payment cards of all kinds in circulation worldwide. Prior issues: 592, 430 □

Retail (from page 1) ... considered active if used once every six months, but at some stores active means only once a year. Since 1980, spending on retail cards has grown 72% and outstandings have grown 60%. However, market shares of card spending and outstandings have steadily declined. That downward trend will worsen as retail cards continue to be displaced by spending on general purpose cards (Visa, MasterCard, American Express, Discover, and Diners). Spending on general purpose cards has increased 661% since 1980.

Eleven of the Top Fifteen Credit Card Issuers in the U.S. in 1994 Issued Retail Cards



RANKED BY CREDIT CARDS IN CIRCULATION

■ Retail
■ Other (1)

(1) OTHER = Visa and/or MasterCard, except GE Capital (Visa, MasterCard, and Exxon cards), Dean Witter (Discover and Private Issue cards), Citicorp (Visa, MasterCard, and Diners Club cards), American Express, and Mobil (proprietary oil company cards). (2) Retail cards are those owned and managed by SPS Transaction Services. (3) Retail cards are those owned and managed by Citicorp Retail Services. (4) Excludes telephone calling cards.

PRIVATE-LABELS. Of all cards issued for use exclusively at retail stores, about 23% come from companies that specialize in operating private-label credit card programs on behalf of retailers that do not want to own receivables. Private-label firms have quadrupled their market share since 1980, a trend accelerated by acquisitions of portfolios owned by retailers, by introduction of revolving credit to retailers who formerly had no card programs, and by conversion of closed-end credit plans to open-end revolving credit on cards. Private-label portfolios of card receivables will continue to expand, but their growth rate from now on will be slowed as prospects for new card programs diminish and mergers and acquisitions among large department stores, apparel chains, etc. causes consolidation of retailer-owned portfolios into large card businesses. Mergers and acquisitions will also bring portfolios currently operated by private label firms back into the control of retailers. This situation could occur, for example, at Macy's, a private-label customer of GE Capital, acquired by Federated Department Stores which operates its own credit card business.

Co-BRANDS. Retailers that have acquired or formed banks are in a good position to offer co-branded cards because they do not have to share profits with a partner. (turn to page 9)

RETAIL STORE CREDIT CARD RESULTS 1994

Owner of Receivables, Card Issuing Location	Out- standings (mil.)	Charge Volume (mil.)	Total Accounts (000)	Active Accounts (000)	Cards Issued (000)	Executive Contact	Phone Number	Fax Number
1. Sears, Roebuck Chicago, Illinois	\$21,325.6	\$15,551.9	57,100	28,210	74,000	Jane Thompson Exec. VP	(708) 286-2500	(708) 286-5039
2. GE Capital Stamford, Connecticut (1)	PL \$13,600.0	\$22,400.0	55,600	21,900	62,850	Dan Porter Sr. VP	(203) 357-3895	(203) 357-4135
3. JCPenney Plano, Texas	\$5,173.7	\$10,100.9	43,300	17,600	74,640	Ted Spurlock Senior VP	(214) 431-1938	(214) 431-1962
4. Household Retail Serv. Wood Dale, Ill.	PL \$2,700.0	\$2,250.0	4,090	1,889	5,603	Carol Lenz VP	(708) 564-7935	(708) 564-6954
5. May Dept. Stores St. Louis, Missouri	\$2,418.1	\$5,795.7	31,000	12,536	48,356	Joel Rebmann Sr. VP Credit	(314) 342-6471	(314) 342-3033
6. Beneficial Corp. Wilmington, Delaware	PL \$2,290.0	\$2,900.0	4,000	2,400	5,750	Richard Klesse Sr. VP	(908) 781-3760	(908) 781-3067
7. Beneficial Corp. Mason, Ohio	\$2,090.0	\$4,622.6	28,115	11,414	42,460	James Amann President	(513) 398-5221	(513) 573-2129
8. Dayton Hudson Minneapolis, Minnesota	\$1,780.0	\$3,689.9	22,000	9,000	34,320	Ronald Prill VP Credit	(612) 307-6234	(612) 307-6237
9. Spiegel Group Beaverton, Oregon (2)	\$1,464.7	\$1,527.0	10,653	3,828	11,718	Gregory Aube Pres. FCNB	(503) 520-8201	(503) 526-8772
10. Bank One Dayton Dayton, Ohio	PL \$1,267.8	\$1,404.0	5,222	1,977	5,986	Thomas Winning President	(513) 449-4838	(513) 449-4809
11. Limited Credit Serv. Columbus, Ohio	\$1,253.9	\$2,312.5	17,000	6,311	29,692	Ralph Spurgin President	(614) 755-5000	(614) 755-3713
12. Dillard's Phoenix, Arizona	\$1,117.4	\$2,521.1	15,563	6,486	25,212	Randal Hankins President	(602) 678-2401	(602) 678-2407
13. SPS Trans. Serv. Riverwoods, Illinois (3)	PL \$1,100.0	\$4,400.0	9,900	3,900	12,500	Robert Wieseneck President	(708) 405-3702	(708) 405-0558
14. Citicorp Retail Serv. Melville, N.Y. (4)	PL \$887.1	\$2,257.6	12,200	3,462	16,470	Jay Guskind President	(516) 673-2621	(516) 673-2598
15. American Gen. Fin. Salt Lake City, Utah	PL \$778.2	\$668.2	621	286	758	Malcolm Holcombe Dir.	(812) 475-4520	(812) 475-4786
16. Circuit City Richmond, Virginia	\$690.0	\$1,035.3	2,461	910	3,120	William Higginbotham VP	(804) 967-2940	(804) 967-2954
17. Broadway Stores Tempe, Arizona (5)	\$683.0	\$1,116.0	6,570	2,011	7,490	Thomas Brown VP Credit	(602) 929-3034	(602) 929-3620
18. Nordstrom Inglewood, Colorado (6)	\$655.4	\$1,760.0	7,459	3,058	12,381	John Walgamott President	(303) 397-4700	(303) 397-4775
19. Mercantile Credit Serv. Baton Rouge, La.	\$650.0	\$1,200.0	4,000	1,800	6,000	Charles Unfried President	(504) 389-7465	(504) 389-7067
20. Jewelers Financial Services Irving, Texas	\$500.0	\$440.0	4,000	750	4,000	John Skinner President	(214) 580-5241	(214) 580-4011
21. Associates Corp. Dallas, Texas	PL \$449.0	\$2,327.0	8,113	3,071	10,827	Ronald Howard Exec. VP	(214) 281-3222	(214) 281-3222
22. Charming Shoppes Bensalem, Pennsylvania	\$430.0	\$540.0	7,800	3,600	8,000	Kirk Simme VP Credit	(215) 638-6722	(215) 633-4734
23. Bridgestone/Firestone Brookpark, Ohio (7)	\$425.0	\$369.7	4,000	1,075	4,000	Lane Ehmke Pres. Credit Serv.	(216) 362-5000	(216) 362-5069
24. Whirlpool Fin. Corp. Benton Harbor, Mich. (8)	\$393.3	\$442.5	1,057	438	1,390	Jim Morpheo VP	(616) 926-5999	(616) 926-5722
25. National City Columbus, Ohio	PL \$365.2	\$451.2	4,076	872	4,973	Chris Joy Asst. VP	(614) 860-8875	(614) 863-8249
26. Carson Pirie Scott Hillside, Illinois	\$314.5	\$628.6	3,643	1,382	5,334	Richard Ehrle VP Credit	(708) 409-7575	(708) 409-7645
27. NationsBank Dover, Delaware	PL \$307.4	\$273.9	1,300	577	1,008	Edgar Lanham President	(302) 741-1112	(302) 741-1114
28. Saks Fifth Avenue New York, New York	\$300.1	\$570.0	3,539	1,417	5,520	Richard Zannino SVP	(212) 940-4133	(212) 940-4103
29. Belk Stores Charlotte, North Carolina	\$279.2	\$484.1	3,100	1,400	4,340	Oakley Orser VP Credit	(704) 357-1500	(704) 357-1861
30. Sterling Akron, Ohio	\$269.0	\$478.0	1,100	616	1,280	Mario Weiss Sr. VP Credit	(216) 668-5577	(216) 668-5971
31. Neiman Marcus Group Dallas, Texas	\$245.0	\$612.5	2,695	1,104	3,773	Rob Wakeley Dir. of Credit	(214) 761-2656	(214) 761-2650
32. Specialty Retailers Jacksonville, Texas	\$205.0	\$400.0	3,400	1,700	6,800	Charles Ross VP Credit	(903) 589-2048	(903) 589-2077
33. Strawbridge & Clothier Philadelphia, Pa.	\$186.4	\$390.1	2,200	924	3,740	Thomas Rittenhouse VP	(215) 629-6775	(215) 629-2716
34. Navy Exchange Virginia Beach, Virginia	\$184.0	\$255.0	330	175	486	Jeff Stone Program Mgr.	(804) 631-3909	(804) 631-3724
35. Specialty Dept. Stores Pembroke Pines, Fla.	\$178.5	\$375.5	2,100	800	3,600	Edward Epstein VP Credit	(305) 433-4501	(305) 433-4545
36. McKee's Jackson, Mississippi	\$160.0	\$450.0	2,100	800	1,300	Mike Rodgers Credit Mgr.	(601) 968-4251	(601) 360-2925
37. Boscov's Lancaster, Pennsylvania	\$150.0	\$286.0	900	400	1,300	Dean Sheaffer Credit Mgr.	(610) 929-7350	(610) 929-7353

RETAIL STORE CARD ISSUERS & THEIR REPRESENTATIVE STORES 1994

THE NELSON REPORT

RETAIL STORE CREDIT CARD RESULTS 1994

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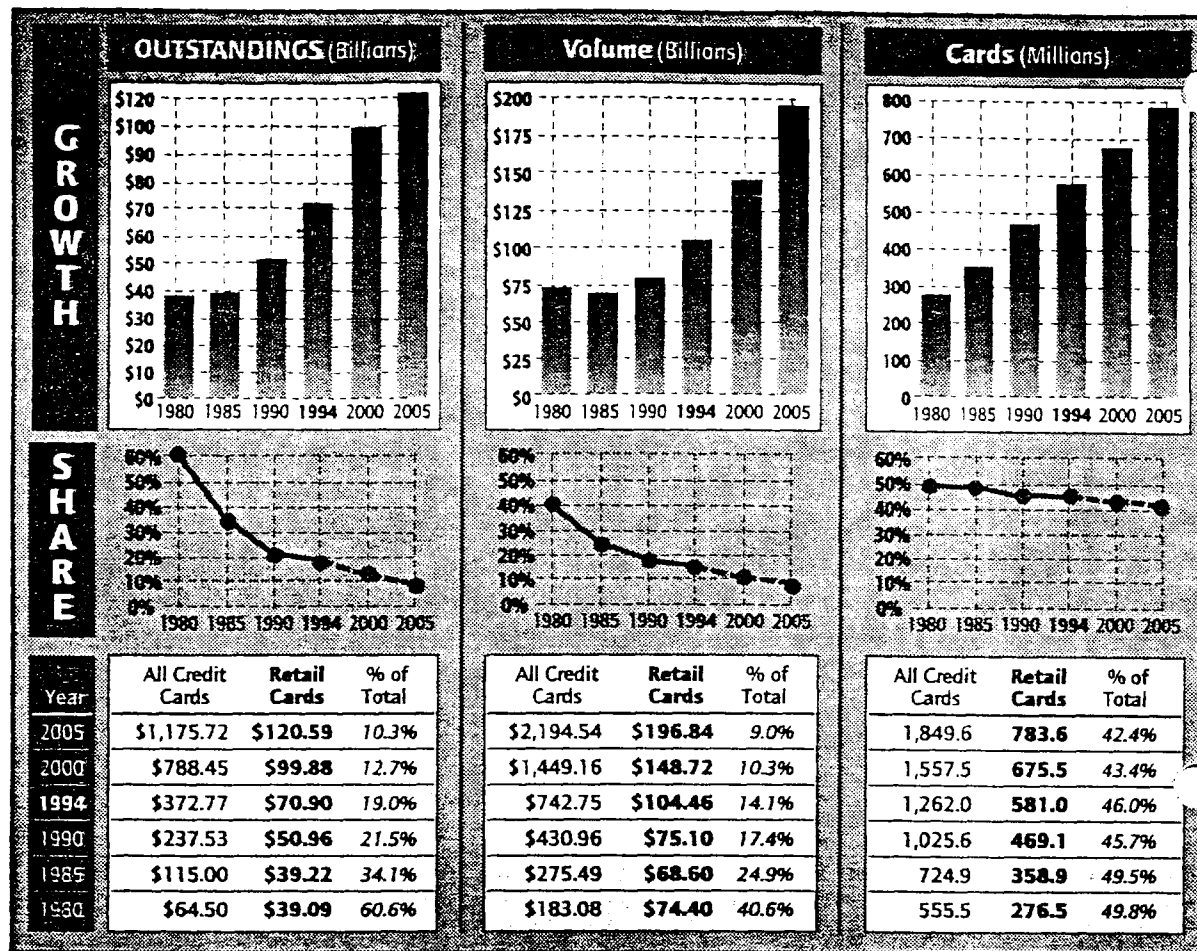
PL=private-label companies that own receivables generated by credit cards they issue on behalf of clients whose name appears on the cards, which are usable only at outlets owned or controlled by the client, including large retailers such as Montgomery Ward, Macy's, etc.

Owner of Receivables, Card Issuing Location	Out- standings (mil.)	Charge Volume (mil.)	Total Accounts (000)	Active Accounts (000)	Cards Issued (000)	Executive Contact	Phone Number	Fax Number
38. Woodward & Lothrop Alexandria, Virginia (9)	\$130.0	\$850.0	1,700	800	2,000	David Herman VP Credit	(703) 329-5099	(703) 329-5126
39. Elder-Beerman Dayton, Ohio (10)	\$121.1	\$313.0	2,600	575	3,195	Tim Brodenick VP Credit	(513) 296-2872	(513) 296-4674
40. The Bon-Ton York, Pennsylvania	\$97.9	\$249.7	1,725	742	2,580	John Gleason VP Credit	(717) 849-2132	(717) 849-2145
41. First of America Kalamazoo, Michigan PL	\$97.0	\$61.3	216	71	260	Mark Pfau VP	(616) 376-4509	(616) 376-2277
42. Younkers Des Moines, Iowa	\$96.0	\$221.6	870	365	1,311	Dave Anderson VP Credit	(515) 247-7101	(515) 247-7004
43. Parisian Birmingham, Alabama	\$94.6	\$208.1	780	449	850	Eugene Higuera VP Credit	(205) 916-3000	(205) 916-3188
44. Gottschalks Fresno, California	\$78.6	\$168.0	708	424	1,239	Bret Levy VP Credit	(209) 434-8000	(209) 434-4801
45. Seaman Furniture Co. Uniondale, New York	\$74.6	\$84.9	185	59	95	Helen Treu Credit Mgr	(516) 496-9560	(516) 682-1672
46. Shoppers Charge Manwah, New Jersey PL	\$66.7	\$122.5	646	145	637	Thomas Nelson President	(201) 818-4000	(201) 818-1462
47. Avco Financial Aurora, Colorado PL	\$63.0	\$55.0	120	63	150	Jerry Gilstrap District Mgr.	(303) 743-4611	(303) 743-4629
48. Pier 1 Imports Fort Worth, Texas	\$61.0	\$124.0	1,100	285	1,200	Steve Mowrer VP Credit	(817) 878-8422	(817) 878-7862
49. ZCMI Salt Lake City, Utah	\$54.7	\$99.1	244	134	391	Earl Russell Credit Mgr.	(801) 579-6455	(801) 579-6275
50. Jacobson's Jackson, Michigan	\$47.9	\$183.3	609	195	631	Kenneth Baxter Dir. Credit	(517) 764-6400	(517) 764-5336
51. NBD Bank Troy, Michigan PL	\$45.4	\$56.0	373	106	540	Donn Fasbender First VP	(810) 619-4808	(810) 619-4800
52. Gantos Grand Rapids, Michigan	\$39.0	\$145.0	410	95	656	Michael Faber Dir. Credit	(616) 940-9235	(616) 949-5884
53. Harris Dept. Stores San Bernardino, Calif.	\$27.5	\$47.1	328	95	525	Bud Parks Dir. Credit	(909) 889-0444	(909) 383-0183
54. Troutman's Emporium Eugene, Oregon	\$26.8	\$73.8	1,400	222	2,100	William Morey Credit Mgr.	(503) 746-9611	(503) 726-2374
55. Liberty House Honolulu, Hawaii	\$25.5	\$57.1	235	100	399	Jane Sinnott Credit Dir.	(808) 945-5929	(808) 945-5980
56. CWT Specialty Stores South Attleboro, Mass.	\$25.0	\$70.0	670	270	900	Richard Melies VP Credit	(508) 399-6020	(508) 399-6733
57. First Family Fin. Serv. Atlanta, Georgia PL	\$20.3	\$28.3	53	27	59	Donna Rohm VP	(404) 266-5480	(404) 266-5831
58. Stom Data Services Baldwin, New York PL	\$18.0	\$132.0	242	138	295	Leonard Leff President	(516) 379-1053	(516) 546-3820
59. Stripling & Cox Fort Worth, Texas	\$17.5	\$18.9	96	35	160	Carriel Nipp Gen. Mgr.	(817) 377-5301	(817) 377-5305
60. CrediCard Fin. Corp. San Antonio, Texas PL	\$9.8	\$17.5	26	11	30	Stewart Armstrong Pres.	(210) 829-7117	(210) 822-4882
Other Private Label (11)	PL \$590.0	\$973.5	2,281	935	3,171			
Other Retailers (12)	\$1,707.5	\$2,816.5	5,308	2,129	6,900			
Total (11)	\$70,982.1	\$104,463.1	415,234	168,648	580,956			

(1) Does not include cards issued for use at Exxon gasoline stations. (2) Gregory Aube is Pres. at First Consumers National Bank, which is owned by Spiegel Inc. and issues cards for all Spiegel affiliates. (3) Outstandings figure does not include \$1.4 billion in receivables that are managed but not owned by SPS and \$630 mil. acquired from Tandy in March 1995. These outstandings are included in "Other Retailers." Charge volume, total and active accounts, and cards included managed business. (4) Retailers Mercantile and Kohl's, private-label clients of Citicorp in 1994, now process in-house and own their own receivables. (5) Has since been sold to Federated Dept. Stores. (6) John Walgarnott is Pres. & CEO at Nordstrom National Credit Bank, which issues the cards. (7) Bridgestone Firestone card accounts are owned by its bank subsidiary Credit First N.A., which also issues cards as a third party. (8) Includes some third-party credit business. (9) Has since been sold part to JCPenney and part to May Dept. Stores. (10) Filed for Chapter 11 bankruptcy protection October 17, 1995. (11) Includes more than two dozen Visa and MasterCard members such as Dial National Bank, Bank of Louisiana, First National of Omaha, and Idaho First National that provide private-label card financing. (12) Includes First Data Corp.'s Retailer Credit Card Corp. which facilitates the immediate securitization of receivables of processing clients such as Brooks Brothers. It also includes about \$630 million in Tandy Corp. outstandings now owned by SPS, plus several dozen retailers with relatively small portfolios such as Sweeney and Beardsley's. (13) Totals do not include duplication from, for example, Citicorp as processor for Mercantile and Nordstrom Exchange, Fingerhut, Army & Air Force Exchange, and other similar retail credit programs are not included because cards are not issued to customers.

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The Limited (from page 1) ... as-yet-unnamed joint venture, with The Limited retaining 40% WFNB, located in Whitehall, Ohio, will continue to issue and process private-label cards for all retail store subsidiaries of The Limited Inc. — The Limited, Express, Lerner, Lane Bryant, Victoria's Secret, Structure, Abercrombie & Fitch, Henri Bendel, and Brylane. Brylane is a joint-venture catalog operation for Lerner, Lane Bryant, and Roaman's. WFNB hopes to add to those 17 million accounts, proprietary card business from other retailers. The company will sell its expertise in marketing credit as well as its ways to generate new sales through database management. Ralph Spurgin, President of Limited Credit Services, will continue to head World Financial National Bank, (614) 755-3400, fax (614) 755-3713.

WELSH, CARSON, ANDERSON & STOWE has a capitalization of about \$3.5 billion. It manages a portfolio of over 40 companies in the transaction processing, information services, and healthcare industries. In March of this year, Welch Carson sold Card Establishment Services to First Data Corp. in exchange for 10 million shares of FDC common stock. In August, it agreed to sell its 30% ownership in Comdata Holdings Corp. to Ceridian Corporation for about 10% of that company. Among companies owned by WCAS is Servantis Systems Inc. Bruce Anderson is a General Partner in New York, (212) 945-2000, fax (212) 945-2015. Prior issues: 602, 589, 582, 573, 555, 553, 541, 527, 520.

Retail (from page 5) This gives them greater resources to invest in structuring programs that more aggressively boost in-store sales and reward customer loyalty. Apparel store Nordstrom and department store chain Federated, are marketing Visa cards from banks they own. General merchandiser Montgomery Ward has two co-branded bank cards — one from GE Capital, which owns and operates Ward's card business, and the other from Orchard Bank, which issues a secured card to customers of Ward. Cataloger/retailer Spiegel Group's bank issues a MasterCard brand bank card for its Eddie Bauer subsidiary. The world's most successful general merchandiser, Sears, Roebuck, is hiring bank card executives and could issue a Visa and/or MasterCard card from its bank subsidiary by the middle of next year. Prior issues: 588, 587, 582, 581, 580, 574, 572, 563, 560, 559, 556, 552 □

RETAILERS THAT OWN CREDIT CARD BANKS

Company	Bank
Bridgestone/Firestone	Credit First Nat'l Association, Ohio
Carson Pirie Scott (1)	Nat'l Bank of the Great Lakes, Illinois
Charming Shoppes	Spirit of America Nat'l Bank, Ohio
Circuit City (2)	First North American Nat'l Bank, Georgia
Dayton Hudson	Retailers Nat'l Bank, South Dakota
Dillard Dept. Stores	Dillard National Bank, Arizona
Federated Dept. Stores (2)	FDS National Bank, Ohio
Fingerhut (3)	Direct Merchants Credit Card Bank, Utah
JCPenney (2)	JCPenney Nat'l Bank, Delaware JCPenney Card Bank, N.A., Delaware
The Limited	World Financial Network Nat'l Bank, Ohio
May Dept. Stores (4)	May National Bank, Arizona May National Bank, Ohio
Mobil Oil Co.	MCFC National Bank, Kansas
Nordstrom (2)	Nordstrom Nat'l Credit Bank, Colorado
Sears, Roebuck	Sears National Bank, Arizona
Spiegel Group (2)	First Consumers Nat'l Bank, Oregon
Strawbridge & Clothier (5)	Service & Commerce Nat'l Bank, Ohio
Tandy Corp.	Tandy National Bank, Tennessee
Texaco Oil Co.	Texaco Credit Card Bank, N.A., Nebraska

(1) In organization. (2) Also issue Visa and/or MasterCard. (3) MasterCard cards only. The company's multimillion-account in-house credit operation does not use a card product. (4) Also owns a bank in Maryland which became inactive April 1994. (5) Proposed.

Visa in Brazil (from page 1) ... acquirers Banco Bradesco, Banco de Brazil, Banco Nacional, and Banco Real. Bradesco will hold the biggest share, but no organization will have a majority interest. Ownership is open to all Visa members. CBMP will start out processing about 100 million transactions generating \$6 billion in annualized volume but that could double over the next five years from growth of Visa "Electron" cards that require on-line authorization. By the end of next year, Brazil will have an estimated four million Electron cards, which carry the Visa and Plus names printed on the back. The five million Visa credit cards currently in circulation display the full Visa brand and hologram on the front. EDS and other vendors are being considered for back-office processing and network management.

Fox From Joint Ventures In Developing Countries

The method being used by Fox to acquire business in developing countries is through joint ventures with local companies. Fox has already formed joint ventures with other companies in Latin America, Asia, and Africa. Fox is also looking for joint ventures in Europe and the Middle East. Fox is a member of the World Economic Forum and the World Bank. Fox is also a member of the United Nations Development Programme and the United Nations Children's Fund.

Duality (membership in both Visa and MasterCard) does not exist in Brazil. Members of Visa cannot issue or acquire for MasterCard, but they have been signing merchants already signed by other Visa banks, resulting in multiple point-of-sale terminals being installed at many merchant outlets. This has made acquiring Visa transactions in Brazil highly inefficient and generally unprofitable. Motivation for formation of the new company is to bring order to the current system, eliminate redundancies, and reduce unit costs. It will also combine in CBMP enough capitalization to pursue the 60% of all merchants in Brazil who have no terminals. The goal is 90% coverage in three years. MasterCard has only one acquirer and issuer in Brazil — Credicard. James Partridge is President of Visa International's Latin America Region in Miami. (305) 551-5900, fax (305) 551-5993. Prior issues: 604, 599, 598, 595, 592, 590, 585, 579, 573, 568, 560, and more than 20 others □

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AMOCO MOTOR CLUB TO SIGNATURE Montgomery Ward's wholly owned subsidiary, The Signature Group, has signed a letter of intent to acquire nearly two million customers from all 50 states enrolled in Amoco Motor Club. AMC is a year-round 24-hour emergency road and tow service. It was started in 1964 by Amoco Corporation, fifth largest marketer of petroleum products in the U.S. Signature, which has signed three million customers to several auto clubs of its own, has signed a letter of intent covering long-term licensing of the Amoco Motor Club name and plans to maintain AMC's service center in Des Moines, Iowa.



Signature is the second largest provider of fee-based enhancement products to the credit card industry, providing supplemental insurance, card registration, and legal and dental services to more than 14 million cardholders through direct response marketing. It is also the second largest outbound telemarketer in the U.S., making more than 60 million phone solicitations annually that generate 3.5 million positive responses for both Signature's own products and products of other marketers. As a direct mail company, Signature sends out 300 million pieces annually. Revenues for 1995 are projected at \$550 million. Last year, Signature increased its existing credit card registration business by paying \$16 million to acquire the U.S. operations of Credit Card Sentinel. Paul Backlund is Senior VP Strategic Planning at Signature Group in Schaumburg, Illinois, (708) 605-7050, (708) 605-3044. Prior issue: 581 □

PHONE CALL INCENTIVE MARKETING Free long-distance telephone calls are being offered to customers of over 9,000 supermarket outlets nationwide via a point-of-sale incentive program operated by Catalina Marketing. Catalina has sold the plan to more than 130 manufacturers of consumer goods who agree to reward customers who purchase their merchandise with free phone calls. Signs on store shelves that promote the stored-value phone service display the logos of the store and the product and instruct customers to take merchandise to the checkout lane where it is scanned. A Catalina terminal issues a "Checkout CallFree" certificate to the customer with dialing instructions and a personal identification number. It simultaneously signals the host computer of Innovative Telecom to credit the customer with prepaid calling time — typically five minutes. Customers using the certificate hear 15 seconds of advertising from the product's manufacturer and the supermarket before the call is placed.

Catalina Marketing, founded in 1983, generates most of its income by placing coupon printing systems at supermarket check-out lanes. Systems track what customers buy and produce coupons for related merchandise and a cash-off brand. The Catalina Marketing Network reaches 120 million U.S. shoppers each week and the U.S. Catalina system is also used by shoppers in Mexico. Catalina Marketing has 18 offices and employs 4,000 people. Revenue of \$113 million was reported for 1994. Office & President, Catalina Marketing, Inc., Petersburg, Florida 33701-1000, (813) 526-8507.

INNOVATIVE TELECOM CORP. provides all services including card issuance for prepaid programs at regional phone companies Nynex, SBC, and Ameritech, and for First Data Corp.'s Western Union, largest prepaid phone card program in the country. Mark Tubinis is President in Nashua, New Hampshire, (603) 889-8411, fax (603) 598-5590. Prior issues: Prepaid Telephone Cards 603, 602, 601, 583, 581, 569, 566, 547, 528, 526, 518, 497 □

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H. Spencer Nilson
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